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HOUSE BILL 1210

43RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1997

INTRODUCED BY

DAVID M PARSONS

AN ACT

AMENDING THE PUBLIC EMPLOYEES RETIREMENT ACT; ALLOWING PURCHASE
OF SERVICE CREDIT FOR CERTAIN PERIODS OF PROBATIONARY
EMPLOYMENT.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. Section 10-11-4 NMSA 1978 (being Laws 1987,
Chapter 253, Section 4, as amended) is amended to read:

"10-11-4. SERVICE CREDIT--REQUIREMENTS FOR--FORFEITURE--
REINSTATEMENT.--

A. Personal service rendered an affiliated public
employer by a member shall be credited to the member's service
credit account in accordance with retirement board rules and
regulations. Service shall be credited to the nearest month.
In no case shall any member be credited with a year of service

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1 for less than twelve months of service in any calendar year or
2 more than a month of service for all service in any calendar
3 month or more than a year of service for all service in any
4 calendar year.

5 B. Personal service rendered an affiliated public
6 employer prior to August 1, 1947 shall be credited to a member
7 if the member acquires one year of service credit for personal
8 service rendered an affiliated public employer.

9 C. Personal service rendered an affiliated public
10 employer after July 31, 1947 but prior to the date the public
11 employer became an affiliated public employer is prior service
12 and shall be credited to a member if:

13 (1) the member acquires five years of service
14 credit for personal service rendered an affiliated public
15 employer; and

16 (2) the member pays the association the amount
17 determined in accordance with Subsection [D] E of this section.

18 D. Personal service rendered a municipal affiliated
19 public employer that was not credited to the member's service
20 credit account because the service was rendered during a
21 probationary employment period is prior service and shall be
22 credited to the member if:

23 (1) the member acquires five years of service
24 credit for personal service rendered an affiliated public
25 employer; and

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1 (2) the member pays the association the amount
2 determined in accordance with Subsection E of this section.

3 [~~D.~~] E. The purchase cost for each month of service
4 credit purchased under the provisions of this section is equal
5 to the member's final average salary multiplied by the sum of
6 the member contribution rate and employer contribution rate
7 determined in accordance with the coverage plan applicable to
8 the member at the time of the written election to purchase.
9 Full payment shall be made in a single lump-sum amount in
10 accordance with the procedures established by the retirement
11 board. The portion of the purchase cost derived from the
12 employer contribution rate shall be credited to the [~~employer~~]
13 employers accumulation fund and shall not be refunded to the
14 member in the event of cessation of membership. In no case
15 shall any member be credited with a month of service for less
16 than the purchase cost as defined in this section.

17 [~~E.~~] F. Service credit shall be forfeited if a
18 member terminates employment with an affiliated public employer
19 and withdraws the member's accumulated member contributions.

20 [~~F.~~] G. A member or former member who is a member of
21 another state system or the educational retirement system and
22 who has forfeited service credit by withdrawal of member
23 contributions may reinstate the forfeited service credit by
24 repaying the amount withdrawn plus compound interest from the
25 date of withdrawal to the date of repayment at the rate set by

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1 the retirement board. Withdrawn member contributions may be
2 repaid in increments of one year in accordance with the
3 procedures established by the retirement board. Full payment of
4 each one-year increment shall be made in a single lump-sum
5 amount in accordance with procedures established by the
6 retirement board. "

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